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SUBJECT: CAMBODIA'S PRIME MINISTER: WORKING FOR THE NATIONAL INTEREST (FOR NOW)

Classified By: POL/ECON CHIEF MARGARET MCKEAN; REASON: 1.4 (b) and (d)

¶1. (C) Summary. During an hour and one-half February 23 meeting with Staffdel Grove, PM Hun Sen outlined his vision for moving Cambodia forward along the path to democratic reform in concert with the opposition Sam Rainsy Party (SRP) and civil society, claiming that his dramatic turnaround was due to the need to work for the national interest. Grove thanked the PM for RGC support in counterterrorism, health issues, and POW/MIA collaboration. The PM requested USG support for Cambodian membership in APEC, passage of the Trade Act to support Cambodia and other LDCs, and greater investment from large U.S. firms. Grove pressed the PM on Burma; Hun Sen responded that ASEAN member states increasingly believe the organization is a hostage to Burma and said he would support participation of nine ASEAN leaders (minus Burma) in the US-ASEAN Summit at the upcoming APEC Summit in Hanoi. On the future of USG interests in Cambodia, Grove linked concrete implementation of needed reforms in Cambodia and continued RGC engagement with the political opposition and civil society to a more promising bilateral relationship with the United States. Grove also expressed support for Peace Corps in Cambodia. End Summary.

¶2. (U) In the February 23 meeting with the PM, the U.S. delegation included Paul Grove, Majority Clerk, Senate Appropriations Committee; Cindy Chang, H Bureau Senior Advisor for Budget and Appropriations; Charge d'Affaires Mark Storella, and Pol/Econ Chief Margaret McKean. Hun Sen was accompanied by MFA Secretary of State Ouch Borith, Senior Advisor Om Yentieng, and other staff members within the PM's cabinet.

Hun Sen: National Interest is the Priority for CPP and SRP

¶3. (C) During the February 22-24 visit by Staffdel Grove to Cambodia, Senate staff member Paul Grove met with Cambodian Prime Minister Hun Sen to discuss recent political developments and prospects for an improved bilateral relationship. Grove thanked the Prime Minister for positive RGC cooperation on a number of fronts: counterterrorism, health issues (avian influenza and HIV/AIDS), and POW/MIA collaboration. The PM noted that since Grove's tenure in Cambodia 10 years earlier, the country had changed significantly: travel throughout Cambodia was now possible as the Khmer Rouge were no longer a security factor; democracy had opened the political space so that discontented citizens had an outlet to express their concerns without taking up arms against the government. The PM added that democracy is not yet secure in Cambodia; some have advocated rescheduling national elections currently slated for 2008 to 2009 -- the PM has rejected the idea on legal grounds noting that the national election law stipulates the elections take

place the fourth week of July 2008.

¶4. (C) Counterterrorism is not an issue confined to one nation or one part of the world, continued Hun Sen, but a global problem affecting all nations. Cambodia is a small country but accepts the responsibility to cooperate on terrorism and other issues, e.g., HIV/AIDS, that cross-cut national boundaries. As Foreign Minister in 1983, Hun Sen said that he was approached by the American director of a U.S.-based support organization for families of service members lost during the Vietnam conflict. Although the U.S. and Cambodia did not have diplomatic relations at the time, Hun Sen said he recognized the need to work on the issue and enlist the support of Laos and Vietnam, although the latter two countries refused at the time.

¶5. (C) Acknowledging that the U.S. and Cambodia may not always agree, the PM stated that he is dedicated to working for the national interest and the future generations of Cambodians. He expressed support for the continuing growth of democracy in Cambodia and the need for a credible opposition. Recent events have opened the way forward for a bright future, he said, adding that he does not want the mistakes of the past to be repeated. Opposition party leader Sam Rainsy agrees with this approach to dialogue and engagement for the national interest, said Hun Sen, and the two political leaders spent more than three hours discussing the way forward to achieving a better future for the country on Rainsy's return to Cambodia. Hun Sen allowed that he could not speak for FUNCINPEC or Prince Norodom Ranariddh, but CPP clearly supports SRP representation within National Assembly commissions that mirrors the party's electoral results in 2003. The PM said that he discussed the proposal with Rainsy, and after obtaining the opposition leader's

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consent, sent a letter to Ranariddh proposing the new formulation. Under the new proposal, the SRP would receive the chairmanships of two of the nine National Assembly commissions as well as two seats in each of the nine commissions. CPP would hold five chairs and five member slots in each commission, while FUNCINPEC would have two chairs and two members in each commission -- the same as the SRP. The PM added that if approved by the National Assembly, the proposal would likely be voted following National Assembly action to amend the Constitution allowing any party that receives a 50 plus 1 majority to form a government.

¶6. (C) Noting that Cambodia has entered a new political environment, Hun Sen said that FUNCINPEC is unhappy with his outreach to Sam Rainsy, as the royalist party feels that they were not consulted during the PM's negotiations with the SRP leader. There have been efforts to characterize SRP as a destructive influence if the opposition party should join the government, he said. Hun Sen defended his actions, saying that SRP is only receiving their just due based on the 2003 election results and their reflected popular support. The PM reiterated his public statement that if the CPP wins the 2008 elections, the SRP is welcome to join the government. He pointed to the recently announced SRP proposal to resolve the country's land disputes through the establishment of a new National Authority comprised of representatives of the three political parties, the National Assembly, as well as NGOs. Another example of the country's new political direction is the decriminalization of defamation, which the PM has agreed should be removed from the criminal code and transferred to the civil code. Hun Sun underscored that he and Rainsy concur that the national interest should take priority over the long term, and that was the genesis of their agreement to end their disputes.

¶7. (C) Grove expressed his support for the PM's new relationship with Rainsy, noting that the spate of lawsuits that kept Cambodia's political leaders in conflict was unhelpful. There are new opportunities to move the country forward on the path to reform, and that will benefit the

Cambodian people, he added. Grove urged the PM to remain in contact with Rainsy, even though the two leaders may disagree over issues in the future. Hun Sen agreed, and promised that if Rainsy wins the 2008 elections, he would not obstruct the transfer of power from CPP to SRP. The PM intimated that FUNCINPEC preferred to keep Rainsy out of the country in order to weaken the party and gain its party members through defections. Hun Sen said that Cambodia needs strong, fair competition in order for the country to grow and strengthen.

Burma and ASEAN

¶ 18. (C) Grove turned to Burma, noting the high priority the USG places on democratic change in Burma, including the release of Aung San Suu Kyi. He requested Hun Sen to engage with ASEAN counterparts to push reform in Burma. Hun Sen offered that Burma had created "headaches" for ASEAN and that during the recent ASEAN Summit in Kuala Lumpur, he had suggested a visit to Burma by the ASEAN Troika. (Note: The Troika would consist of Laos (past ASEAN Chair), Malaysia (present Chair), and the Philippines (future Chair). End Note.) Malaysia, however, indicated that the ASEAN chair should first visit Rangoon, followed perhaps by a visit by the ASEAN Troika. Hun Sen noted, however, that ASEAN did not expect that the Malaysian FM's proposed visit would continue to be postponed. He said that Burma should not be an obstacle to the development of ASEAN. If Burma is not invited to the September 2006 ASEAN-Europe meetings in Finland, he added, the other nine ASEAN states need to decide if they will attend or if they will be continue to be held hostage by Burma. Hun Sen said that in his opinion, the nine ASEAN member states should go; if Burma reforms then they can attend as well; but if not, they deserve to be excluded.

¶ 19. (C) Hun Sen proposed that Cambodia and Laos be included in the ASEAN-U.S. Summit meeting in Hanoi, that will be held in conjunction with the APEC Summit later this year. Hun Sen noted that he has discussed the issue with FM Hor Namhong and said Cambodia should go -- an ASEAN Summit should not include only seven leaders. The PM understands that the USG cannot accept Burma's attendance, but Cambodia and Laos should be permitted to join. If Burma is excluded, it sends a signal that Burma needs to make real reforms. Hun Sen said he will go; Laos will need to make up its own mind and the exclusion of Burma is not an issue for Cambodia.

U.S.-Cambodian Relations

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¶ 10. (C) Hun Sen expressed his support for an expansion of existing bilateral cooperation. He said that Cambodia would welcome passage of the Trade Act, which is important not only to Cambodia but to other LDCs. Other priorities for Cambodia are greater U.S. investment by large companies (e.g., Chevron), increased trade and tourism. Hun Sen noted that U.S. tourists rank number three in numbers of the visitors to Cambodia. Cambodia is grateful for USG support for Cambodian membership in the WTO. Cambodia would like to join APEC, and the PM requested USG support for Cambodian membership once the moratorium on adding new members is lifted. Cambodia would also like the United States to join the East Asian Summit. As Asian countries continue to form an East Asian Community of nations, Cambodia would welcome U.S. participation, assuming ASEAN consensus.

¶ 11. (C) The Prime Minister said that U.S.-Cambodian relations have often been bitter, with a number of interruptions in diplomatic ties. The inauguration of the new embassy building is a symbol of a solid bilateral relationship and continued USG interest in Cambodia. The PM said that Cambodia, unlike other countries in SE Asia, provides a secure environment for the U.S. mission and expressed again his support for CT cooperation.

¶12. (C) Grove indicated that USG-Cambodian bilateral relations would continue to grow and strengthen with the continued strengthening of Cambodian democracy. He noted his optimism over the current political situation and discussions between the PM and Rainsy. With further successes in restoring parliamentary immunity and opposition party participation in the commissions, broadening of the National Election Commission, passage of strong anti-corruption legislation, Cambodian democracy will improve and grow. Grove noted that the PM has assumed the responsibility of realizing these commitments. Dialogue and reform proposals make for great headlines, but implementation and creating results will be the difficult task ahead.

¶13. (C) Hun Sen observed that sometimes his vision for reform exceeds that proposed by the opposition and the NGO community, but government officials often are afraid to provide him with the true facts. The PM has come to realize that the opposition and NGO community can assist him in that regard, and a partnership is in the interests of all concerned. The PM admitted that he has used non-governmental information sources to get to the truth surrounding some issues, as members of his own government are not always forthcoming. This new form of cooperation between government, the opposition and civil society may be in the interests of the USG, but Hun Sen underscored that his motivation is for the good of the Cambodian people. If human resources and expertise from outside the government can help Cambodia, then the PM is prepared to make use of them. By doing so, the PM emphasized that he wants to bring Cambodians together to work for the good of the nation, rather than oppose one another -- Cambodian history is replete with examples of internal conflict that only destroyed the country rather than improving it. As the meeting ended, the PM mentioned the Peace Corps; Grove indicated that he supported a Peace Corps program in Cambodia.

Comment

¶14. (C) The PM was on a charm offensive that encompassed an hour and a half of discussion peppered with jokes, historical references, and talking points that played to issues of USG interest. Hun Sen was prepared with a list of deliverables of interest to his government but offered little insight into the motivation for his dramatic political turnaround over the past month. Regardless of Hun Sen's political calculus, we believe there is an opening to press the government to live up to its commitments vis-a-vis democratic reform, which is supported by the political opposition and Cambodian civil society and which -- if implemented -- will help strengthen and institutionalize Cambodian democracy over the long run. The PM's willingness and patience to continue this newfound partnership remains to be seen, but at the moment, we should continue to encourage all sides to move forward. End
Comment.

¶15. (U) Staffdel Grove cleared this message before departure.

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